

Nitto World Co., Limited

Financial statements for the year ended 31 December 2001
together with directors' and independent auditors' reports

Registered number: 2124389



Directors' report

For the year ended 31 December 2001

The directors present their report on the affairs of the company together with the financial statements and auditors' report for the year ended 31 December 2001.

Principal activity and business review

On 23 December 1997 the entire share capital of the company was purchased by SLC Turnberry Limited. On 30 December 1997 the trade and assets of the company were transferred into SLC Turnberry Limited. The company has not traded since that date.

Results and dividends

The company did not trade during the year. Consequently no profit and loss account is presented.

Directors and their interests

The directors of the company during the year were:

T.W. Darnall

R. Cotter

M.P. Wale

No director had a beneficial interest in the shares of the company at any time during the year.

Directors' report (continued)

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of its profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution will be submitted at the annual general meeting to appoint auditors for the ensuing year.

Sheraton Skyline Hotel
Bath Road
Hayes
Middlesex
UB3 5BP

By order of the Board



M. P. Wale
Director

28 June 2002

To the Shareholders of Nitto World Co., Limited:

We have audited the financial statements of Nitto World Co., Limited for the year ended 31 December 2001 which comprise the balance sheet and the related notes numbered 1 to 7. These financial statements have been prepared under the accounting policies therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of directors' responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.



Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31 December 2001 and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to read 'Arthur Andersen'.

Arthur Andersen

Chartered Accountants and Registered Auditors

191 West George Street

Glasgow

G2 2LB

28 June 2002

Balance sheet
31 December 2001

	Notes	2001 £	2000 £
Current assets			
Debtors: Amounts falling due within one year	3	4,101,473	4,101,473
Net assets		<u>4,101,473</u>	<u>4,101,473</u>
Capital and reserves			
Equity share capital	4	8,900,000	8,900,000
Share premium account	5	9,757,890	9,757,890
Profit and loss account	5	(14,556,417)	(14,556,417)
Total capital employed		<u>4,101,473</u>	<u>4,101,473</u>

Signed on behalf of the Board



M. P. Wale
Director

28 June 2002

The accompanying notes are an integral part of this balance sheet.

Notes to financial statements
For the year ended 31 December 2001

1 Statement of accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, is set out below.

a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The company did not trade during the current or prior year and consequently no profit and loss account is presented.

2 Staff costs and numbers

The directors were the only employees of the company during the year and the preceding year. In both years the directors remuneration was borne by a fellow group undertaking.

3 Debtors

The following are included in debtors:

	2001 £	2000 £
Amounts falling due within one year:		
Amounts due from other group undertakings	<u>4,101,473</u>	<u>4,101,473</u>

4 Equity share capital

	2001 £	2000 £
<i>Authorised</i>		
96,800 ordinary shares of £100 each	<u>9,680,000</u>	<u>9,680,000</u>
<i>Allotted, called-up and fully-paid</i>		
89,000 ordinary shares of £100 each	<u>8,900,000</u>	<u>8,900,000</u>

Notes to financial statements (continued)

5 Reserves

Of total reserves shown in the balance sheet, the following amounts are regarded as distributable or otherwise:

	2001 £	2000 £
<i>Non-distributable</i>		
- profit and loss account	(14,556,417)	(14,556,417)
- share premium account	9,757,890	9,757,890
	<u>(4,798,527)</u>	<u>(4,798,527)</u>

There was no movement in shareholders' funds during the current or prior year.

6 Guarantees and other financial commitments

Capital commitments

At the end of the year there were no capital commitments (2000 - £Nil)

7 Ultimate parent company

The immediate parent company is SLC Turnberry Limited, a company incorporated in Scotland.

The smallest and largest group in which the results of Nitto World Co Limited are consolidated is Starwood Hotels and Resorts Worldwide Inc. Copies of the financial statements of this group are available to the public at:

Starwood Hotels and Resorts Worldwide Inc.

Investor Relations

777 Westchester Avenue

White Plains

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